

April 2, 2007

The Honorable Larry Gossett
Chair, Metropolitan King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

I am pleased to transmit for Metropolitan King County Council review, the updated Framework Policies for Human Services, as well as an ordinance to approve the policies. I am also transmitting for your review the Human Services Recommendations Report for 2007.

King County invests in the health and well-being of its residents through its ongoing commitment to human services. The first Framework Policies for Human Services, approved by the council in September 1999, described the policy direction and priorities for the county's participation in human services. These Framework Policies were widely accepted and understood as the guiding principles for county government in the human services arena.

However, much has changed in the intervening years. Several important countywide human service plans have been developed and adopted that have served to clarify roles and redefine priority areas for investment of the county's limited resources. Chief among these regional plans were those developed by criminal justice work groups to create alternatives to incarceration and detention, the Ten-Year Plan to End Homelessness in King County, and the Service Improvement Plan to implement the Veterans and Human Services Levy.

Ordinance 15406 adopted by the council in April 2006 offered guidance to the implementation of the levy, calling for, as a first step, the development of a service improvement plan to identify priority populations and investment priorities. Council approved the plan last October.

In recognition of the many events and initiatives that have occurred in recent years impacting human services, Ordinance 15406 also called for several other pieces of work, including:

- Proposed updates to the original Framework Policies for Human Services
- Proposed legislation to request council adoption of the policies
- Preparation of a Human Services Recommendations Report, including a description of human services paid for with county discretionary funds
- Response to the King County Auditor's contract performance audit recommendations related to current expense-funded Community Services Division contracts.

The enclosed documents were prepared to meet the requirements of the council's ordinance, look ahead to future challenges, and offer recommendations for the future.

Community Review and Input

The Framework Policies for Human Services and the Human Services Recommendations Report were drafted by a workgroup from the Department of Community and Human Services, Public Health-Seattle & King County, the Office of Management and Budget, and other county staff. Input on both documents was solicited primarily via the Internet but also through meetings with key stakeholders, including the Regional Policy Committee staff group and the King County Alliance for Human Services. Both documents were posted for a three-week review and comment period. E-mail notification of the open comment period was sent to the county's human services providers, human services advocacy groups, human services advisory boards and councils, numerous criminal justice work groups, housing and homeless providers and funders, other cross-system partners, and more.

Over the three-week period, the county received 36 responses from 33 different authors. Comments were received from several different program areas requesting clarification of the county's role and commitment to services such as sexual assault, domestic violence and aging. Several people wrote to protest cuts to services proposed in the draft document; however, the draft documents never proposed any cuts to current human services programs, nor do the final versions. In fact, the final report makes clear that the county maintains its commitment to its current service areas and populations, and details in the recommendations and implementation sections its intent to conduct a comprehensive study of many of its program areas to clarify roles and funding. The input, suggestions and concerns voiced by the community were of immeasurable value in strengthening and clarifying the county's role in human services, its priorities for funding, and its recommendations for the future.

Recommendations to Update the 1999 Framework Policies

The revised Framework Policies retain much of the direction of the 1999 original, but remove outdated policies, consolidate others, update language, and, in general, simplify the policies in order to make them more concise, understandable, and accessible to the public. The enclosed document provides detail, but in brief, the policies are as follows:

- **HS-1: King County has a strong regional role in human services, working with many partners to help those most in need**

King County joins the human services community in promoting healthy families and safe communities and building a coordinated regional human services system to serve the county's most vulnerable and at-risk residents. King County is dedicated to working with

its partners to identify and help the neediest individuals and families across the county achieve stability, recovery, and an improved quality of life.

- **HS-2: King County's priorities for human service investments will be programs and services that help to stabilize and improve peoples lives, and prevent or reduce emergency medical and criminal justice system involvement and costs**

In order to continue to improve quality of life, counterbalance growth in areas costly to taxpayers and communities, and preserve the resources necessary to collaborate as a partner in regional human services systems, King County has identified priority areas where it will focus its efforts and resources.

- **HS-3: King County will apply principles that promote clarity, effectiveness, accountability and social justice**

King County will adhere to principles of public service in its human services-related actions and investments, including transparency in the administration of services, promotion of diversity, an orientation towards recovery and self-sufficiency, regional service system integration and coordination, and a focus on outcomes and performance measures developed in concert with human services stakeholders and partners.

Priority Areas for Human Services Efforts and Resources

In order to have the greatest impact in helping those most in need and achieve the highest return on its investment of resources, the Framework Policies identify four priority areas for human services efforts. The priority areas are:

1. Effective intervention and prevention strategies
2. Job readiness and employment to increase self-sufficiency
3. Prevention and elimination of homelessness
4. Services that reduce the growth of emergency medical and criminal justice system involvement and costs.

These priorities link directly to key policy and practice areas in human services, such as adult and juvenile justice system alternatives, ending homelessness, the Veterans and Human Services Levy, and other initiatives.

Human Services Recommendations Report for 2007

The Human Services Recommendations Report (HSRR) builds upon the Framework Policies by providing detail and context as to how internal and external forces worked to reshape the human

services system. Key events and initiatives over the past seven years contributed to the evolution of human services in King County.

In 2000, the spiraling costs of criminal justice threatened to overtake the entire general fund budget. Numerous options were considered, including the possibility of eliminating all non-mandated services. Instead, the county and its partners collaborated in the development of several new service systems, or the enhancement of existing ones, to focus efforts on improving access to treatment and other supportive services, and at the same time, reducing the high costs of criminal justice and emergency medical services. The HSRR describes these efforts, including the Juvenile Justice Operational Master Plan, the Adult Justice Operational Master Plan, the Ten-Year Plan to End Homelessness in King County, the Veterans and Human Services Levy Service Improvement Plan, and others regional plans and initiatives.

Regional Long-range Planning Efforts

Other regional efforts provided direction as well. In 2002, the Regional Policy Committee (RPC) of the King County Council worked with the human services community to write organizing principles for designating human services as regional or local responsibilities. They organized human services into three categories: local services funded by cities; regional services primarily funded by state and federal governments; and “regional services recommended for a countywide partnership.” Their efforts provided critical guidance to the county during its fiscal crisis, when difficult decisions were necessary.

At the request of the human services community, the next steps were conducted by high-level citizen advisory task forces. The Task Force on Regional Human Services worked to identify the human service needs in the community and the gaps in services created by insufficient funding to meet those needs. This provided the starting point for the Healthy Families and Communities (HFC) Task Force, charged with identifying the amount of funding needed to close the gap. The HFC 2006 report identified a gap of about \$83 million. The passage of the 2005 Veterans and Human Services Levy provides some new funding to help address the funding gap identified by the HFC, but a sizeable gap remains.

King County’s Role in Human Services

King County provides oversight for a broad range of housing and human services that help the region’s most vulnerable and troubled citizens achieve stability, improved health, a higher quality of life, and increased self-sufficiency. New partnerships, and the role that King County asserted in the convening of workgroups and the development of alternative programs, helped to bring about the growth of the county’s role as a regional entity and regional leader.

King County holds responsibility for the development and implementation of state and federally funded human service systems for mental health, drug and alcohol, public health, and

developmental disabilities. King County executes this role chiefly through the legislative requirements and funding provided by the State of Washington and the federal government.

With regard to non-mandated areas of regional human services, King County joins with other governments (federal, state and local), social services, United Way, faith communities, philanthropy, criminal justice systems, and many others to collaboratively fund and administer a range of service systems. These include domestic violence and sexual assault services, information and referral, employment, youth and family services, and others. King County provides financial support to these systems along side other partners, and works with its partners to ensure the continuation of these services for the good of the region.

King County serves as the local government for the unincorporated areas and works with cities and service providers, as well as the recognized unincorporated area councils, to assure regional access to programs and services for residents of the unincorporated areas. Efforts in recent years have fostered discussions on annexation or incorporation of urban unincorporated areas to improve access to a range of services, including human services. As the county refines its strategies for providing services to rural area residents, it will be important to ensure that exploration of human services access and service provision are included in those rural initiatives.

One unique area of involvement is aging services. King County serves as one of three sponsors for the federally designated Area Agency on Aging (AAA), but does not serve as the regional coordinator. That responsibility rests with Seattle's Aging and Disability Services (ADS), which administers AAA funding and mandates. The 2006 AAA budget totaled about \$31 million in federal, state and local funds, about half of which were "nondiscretionary" funds to support services like Medicaid case management and home care. About \$8.9 million was available to support other identified needs, and the AAA sponsors – Seattle, King County and United Way of King County – help to make those funding decisions. However, many services outside the AAA were designated by the RPC as a local responsibility. Historically, King County's aging funding has focused on supporting senior services in or near unincorporated areas, in an effort to improve access to services for its unincorporated area residents. The aging program will be one the programs areas to be examined as part of the HSRR implementation, in order to clarify the county's role and funding priorities.

Current Use of County Discretionary Resources

The HSRR provides a summary of the county's human services investments. While the majority of services are provided by the Department of Community and Human Services (DCHS), other services are provided by Public Health-Seattle & King County (PHSKC), Adult and Juvenile Detention, the Office of the Prosecuting Attorney and Superior Court. A table illustrates the county's projected expenditures based on the 2007 adopted budget of \$18.7 million for human services administered within the framework policies and funded with county discretionary dollars from the Children and Family Services Setaside Fund (CFSA) and current expense (CX)

fund. An additional line item notes funding allocated to special programs and projects outside the framework policies, bringing the 2007 county discretionary total to just under \$23 million. In addition, the chart shows that the county has budgeted over \$25.5 million for expenditure in 2007 from the proceeds of the Veterans and Human Services Levy (which includes about \$13 million in carryover funds from 2006). All together, the combined county fund sources total over \$48 million. Also shown, but not included in the service total are administrative costs (DCHS portion only; other department totals were not available) to provide program oversight, contracting and evaluation for these county-funded programs and services.

While the chart includes the funding for the Children and Family Commission, it does not reflect the approximately \$25 million additional dollars that support a range of human services programs provided and funded within the budget for PHSKC. In addition to the Framework Policies for Human Services, King County requires a separate Public Health Policy Framework and a Public Health Operational Master Plan, both of which serve to define policies and create a sustainable operational and financial model for the provision of essential public health services. These policies are also currently under council review. As a next step, additional work will be required between DCHS and PHSKC to jointly examine the discretionary dollars devoted to health and human services to identify and explore services subject to the human services framework policies. It is important to note that the human services and the public health framework policies have several points of intersection and overlap. Certain health-related strategies clearly meet and contribute to the human service priorities for early intervention and prevention, elimination of homelessness, and reduction of impacts to the justice and emergency medical systems. Additionally, when people face barriers to accessing community-based primary health care services, health problems worsen and can result in significant and costly use of emergency health services. In many areas, Public Health and DCHS must work together with other county departments to achieve maximum benefit for their shared populations.

Performance Measurement, Data Collection and Analysis, and Contracting

The majority of human services provided by King County are managed via contracts with community-based agencies. In fact, in 2006 DCHS contracted out over 79 percent of its \$250 million budget through over 500 contracts to agencies and nonprofits of varying size, capacity and sophistication.

Service contracts typically address eligibility criteria, program and reporting requirements, payment mechanisms, and accountability requirements. When feasible, providers are asked to submit electronic reports, monitor outcomes, employ evidence-based practices, and provide other evidence of meeting contract requirements. However, there is still a long way to go to improve timelines, sophistication, performance management, and analytical skills. The costs of hardware, software and training to build the technical expertise required to implement data-driven systems have been barriers to development of database management strategies in human services. The ability to evaluate and analyze the success of a program through data, outcomes and performance

measures are increasingly critical components. The county and its providers must improve their technical expertise, analytical skills and information system capabilities in order to demonstrate success and build public and private support for human services programs and funding. In March 2006, the King County Auditor conducted a review of contracts funded by county current expense and administered by the DCHS Community Services Division (CSD). The auditor issued several recommendations with regard to those contracts, calling for: 1) continued efforts to align outcome measures and share performance data; 2) consideration of periodic competitive selection processes for contracts funded with discretionary dollars; 3) development of compensation terms linked to outcomes; 4) careful review of contract invoices and required documents; 5) assessing how performance targets are set; 6) using performance data to inform decision-making processes, such as contractor selection and amount of funding; 7) determination as to whether current funding practices are consistent with the department's objectives and business plan; and 8) development of standards and expectations for contractor monitoring (site visits and desk reviews) and adequate training for contract compliance monitor staff.

DCHS is committed to these improvements, with many of the next steps identified in the HSRR implementation plan. These steps include comprehensive reviews of several regional programs including aging, domestic violence, sexual assault, youth and family services, and other programs to determine consistency with the framework policies, identification of funding priorities, and issuing of requests for proposal to selected providers.

Challenges for the Future

Just seven years ago, King County's fiscal crisis challenged the continuation of nearly all general fund-supported human services. Today, as a result of concerted efforts to focus on fewer priorities and targeting investments to those most in need, the county has established a stronger and more viable means to manage county-funded regional services, as well as its state-mandated human services systems. The involvement of clients, providers, local government, and other partners continues to be a significant factor in the revival of human services at the county level.

However, significant challenges remain. The county's ability to implement the Ten-Year Plan to End Homelessness relies heavily on state and federal funding for treatment services, housing and employment programs that build supportive housing, prevent homelessness, and help formerly homeless people train for jobs in today's economy. "Baby boomers" are now age 50 or older, and by the year 2025, it is estimated that those 60+ will represent about a quarter of the county's population. With Washington the fourth largest refugee resettlement state in the country, and 41 percent of refugee new arrivals settling in King County, new service needs may emerge for these populations around the county.

Another significant challenge is the fragility of the health care safety net for low-income people. The rising costs of health care, the failure of Medicaid and other insurance reimbursements to keep pace with inflation, and the growing numbers of people who have no health insurance have

created serious challenges for the health system. The Public Health Operational Master Plan is working to address these issues. Further, the adopted 2007 budget included a proviso calling for a plan for the restructuring of personal health care and clinical services provided by PHSKC. These critical planning efforts will shape the future of the region's health care safety net.

Despite the new funding generated by the Veterans and Human Services Levy, a funding gap for human services remains. One potential new fund source currently being explored is a 0.1 percent sales tax increase to fund critically needed mental health and substance abuse services, allowable under a state law that enables counties to raise local sales taxes to pay for behavioral health treatment services and therapeutic courts. A major planning effort is currently underway to explore how to create a comprehensive continuum of treatment, housing and case management services for people with disabling mental illness and chemical dependency and prevent or reduce their unnecessary involvement in the criminal justice and emergency medical systems. The final piece of a three-part action plan will be submitted to the council for review by May 31, 2007.

Recommendations

The HSRR offers the following recommendations for next steps:

1. The Metropolitan King County Council should approve, by ordinance, the updated Framework Policies for Human Services.
2. The King County Council should proceed with investigating increasing access to needed mental health and substance abuse treatment services by proceeding with planning for a 0.1 percent sales tax increase to create a new county fund source to augment current funding and open doors to treatment for certain high-risk individuals.
3. The Regional Policy Committee and other regional stakeholders should explore future regional human services funding options and other long-term strategic planning efforts to improve regional human services stability (as per Ordinance 15406).
4. The Department of Community and Human Services shall ensure county infrastructure improvements in contracting procedures for human services, systems planning, development and evaluation that are consistent with the King County Auditor's recommendations and contract management best and promising practices.
5. King County and its partners should advocate for adequate and appropriate state, local and federal funding to support treatment, housing, and employment services for at-risk youth and adults.
6. The Department of Community and Human Services shall conduct reviews of regional service areas that have not been studied in recent years (e.g., domestic violence, sexual

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assault, aging, youth and family services, information and referral, homeless prevention and short-term emergency assistance such as food, and other programs) as a means of improving service coordination across county departments and maximizing resources. The Department of Community and Human Services shall continue to review regional services for which King County has primary regional responsibility (mental health, developmental disabilities, etc.), to determine any emerging or unmet needs for clients and further opportunities for cross system planning and service delivery.

7. As part of the Public Health Operational Master Plan, the Department of Community and Human Services and Public Health should jointly examine discretionary general fund dollars in Public Health (approximately \$25 million) to identify human services programs and funding and assure consistency with the Human Services Framework Policies.

Closing

King County is fortunate to have dedicated and committed partners in local governments and within the human services, housing and criminal justice communities who are committed to taking the next steps to improve and strengthen vital regional human services for the future and ensuring healthier lives and futures for children, youth, adults and seniors throughout the county.

I recommend that the Council approve the ordinance to adopt the updated Human Services Framework Policies. I look forward to the implementation of the framework policies and the tasks outlined in the recommendations report. If you have any questions, please feel free to contact Jackie MacLean, Department of Community and Human Services Director, at 206-296-7689.

Sincerely,

Ron Sims
King County Executive

Enclosures

cc: King County Councilmembers
King County Regional Policy Committee
Bob Cowan, Director, Office of Management and Budget
David Fleming, Director, Public Health – Seattle & King County
Jackie MacLean, Director, Department of Community and Human Services